

**THE INFLUENCE OF POLITICS AND ECONOMICS  
OF THE MEDIA IN SHAPING TELEVISION  
CONTENT IN POST-AUTHORITARIAN INDONESIA**

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**THE INFLUENCE OF POLITICS AND ECONOMICS  
OF THE MEDIA IN SHAPING TELEVISION  
CONTENT IN POST-AUTHORITARIAN INDONESIA**

by

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## LIST OF ABBREVIATIONS

ANTV	Cakrawala Andalas Televisi
ATVSI	Indonesian Private TV Association
BPRSNPD	Badan Pembina Radio Siaran Non Pemerintah di Daerah (The Regional Authority for the Development of Non-Government Radio)
DPD	Dewan Perwakilan Daerah (Regional Representative Assembly)
DPR	Dewan Perwakilan Rakyat (Legislative Assembly)
DPRD	Dewan Perwakilan Rakyat Daerah (Regional People's Representative Council)
EMTEK	Elang Mahkota Teknologi
Golkar	Golongan Karya
JPNN	Jawa Pos News Network
KPI	Komisi Penyiaran Indonesia (Indonesian Broadcasting Commission)
KPID	Komisi Penyiaran Indonesia daerah (Indonesian Regional Broadcasting Commission)
KPU	Komisi Pemilihan Umum (Indonesian Election Commission)
LKBN	Lembaga Kantor Berita Nasional (National News Agency)
MPR	Majelis Permusyawaratan Rakyat (People's Consultative Assembly)
NHK	Japan Broadcasting Corporation
NPWP	Nomor Pokok Wajib Pajak (code numbers of taxpayer)
NU	Nahdlatul Ulama
PAN	Partai Amanat Nasional (National Mandate Party)
PDI	Indonesia Democratic Party
PDIP	Partai Demokrasi Indonesia Perjuangan (Democratic Party of Struggle)
PKB	Partai Kebangkitan Bangsa (National Awakening Party)

PKI	Partai Komunis Indonesia (Indonesian Communist Party)
PKS	Partai Keadilan Sejahtera (Prosperous Justice Party)
PPP	Partai Persatuan Pembangunan (United Development Party)
PRSSNI	The Indonesian Private, Commercial Radio Broadcasters Association
PWI	Persatuan Wartawan Indonesia (Indonesian Journalist Association)
RAPBN	Rancangan Anggaran Pendapatan dan Belanja Negara (National Budget Proposal)
RCTI	Rajawali Citra Televisi Indonesia
RRI	Radio Republik Indonesia (Radio of Republic of Indonesia)
SBY	Susilo Bambang Yudhoyono
SCM	Surya Citra Media
SCTV	Surya Citra Televisi
SET	Science, Aesthetics and Technology (foundation)
SIUPP	Surat Ijin Usaha Penerbitan Pers (the press permitting procedure)
TPI	Televisi Pendidikan Indonesia
TPI	Televisi Pendidikan Indonesia (Indonesian Educational Television)
TVRI	Televisi Republik Indonesia (Television of Republic of Indonesia)
USAID	U.S. Agency for International Development
VIVA	Visi Media Asia

# **PENGARUH EKONOMI DAN POLITIK MEDIA DALAM MEMBENTUK KANDUNGAN TELEVISYEN ERA PASCA AUTORITARIAN DI INDONESIA**

## **ABSTRAK**

Kejatuhan pemerintah autoritarian terakhir pada Mei 1998 menandakan permulaan peralihan kepada era demokrasi di Indonesia. Setelah media dibendung dan dikawal oleh kerajaan selama beberapa dekad, soalan yang timbul adalah siapa yang sebenarnya mengawal kandungan media dalam era liberalisasi. Penyelidikan ini mengkaji faktor-faktor bagaimana politik ekonomi di era pasca-autoritarian menjejaskan pekerja televisyen dan membentuk kandungan yang dihasilkan. Dan ada dua soalan utama yang ingin dibangkitkan: (1) Bagaimanakah faktor ekonomi politik mempengaruhi pekerja televisyen dalam membentuk kandungan mereka ?; (2) Apakah faktor yang paling berpengaruh yang memberi kesan kepada pekerja televisyen dalam membentuk kandungan mereka? Kajian ini menggunakan kedua-dua kaedah iaitu kuantitatif dan kualitatif. Kaedah kuantitatif yang digunakan adalah kaji selidik sedangkan kaedah kualitatif utama yang digunakan adalah wawancara yang digabungkan dengan pemerhatian dan dokumen dengan mengambil pandangan dari dalam media untuk mengukur triangulasi untuk memastikan kesahihan penyelidikan. Kajian ini mendedahkan penemuan penting seperti berikut: (1) kawalan pemilik, secara langsung atau tidak langsung, terhadap pekerja televisyen dalam membentuk kandungan. Kawalan tidak langsung dibuat melalui eksekutif senior. Pemilik kadang-kadang terlibat secara langsung dalam membentuk kandungan, terutama program hiburan; (2) Pengiklan juga memainkan peranan penting kerana pengiklan dapat membantu stesen televisyen untuk menghasilkan kandungan. Stesen boleh membentuk program penajaan dan terus mendapatkan pengiklan untuk menyediakan pembiayaan untuk kandungan yang hendak dihasilkan; (3) Pengaruh penonton atas kandungan televisyen

dibentangkan dengan sangat baik melalui penggunaan laporan penilaian (*rating report*) dalam membangunkan kandungan. Kebanyakan pengiklan dan pengelola stesen bergantung kepada maklum balas penonton ini. Satu laporan rating yang rendah membawa akibat untuk memperbaiki atau menukar kandungan; (4) Pengawal selia penyiaran juga berpengaruh, dan bagi sesetengah televisyen, ini adalah pengaruh yang paling penting. Penyiar kerap mengubah kandungan mereka selepas surat amaran yang mereka terima daripada pengawal selia; (5) Ahli-ahli politik memainkan peranan penting dalam membentuk kandungan. Pengaruh mereka memperhebatkan semasa kempen politik. Dalam perkembangan terkini, kehidupan politik Indonesia menghadapi perkembangan baru kerana para media mogul terjun ke dalam arena politik dan bersaing antara satu sama lain untuk kuasa politik. Hasilnya adalah kempen paling sengit dan paling konfrontasi yang pernah diingat rakyat Indonesia yang disebabkan sebahagiannya oleh peranan televisyen. Akhir sekali, kajian ini mendapati bahawa, pada setiap hari, penonton adalah faktor yang paling berpengaruh pada kandungan yang menjejaskan 31 peratus pekerja televisyen diikuti oleh pengiklan (19%), pemilik media (18.5%) dan pengawal selia (18%). Ahli-ahli politik menunjukkan kurang pengaruh kerana menjejaskan hanya 13.2%. Walau bagaimanapun, pengaruh ahli-ahli politik meningkat menjelang pilihan raya.

# **THE INFLUENCE OF POLITICS AND ECONOMICS OF THE MEDIA IN SHAPING TELEVISION CONTENT IN POST-AUTHORITARIAN INDONESIA**

## **ABSTRACT**

The downfall of the last authoritarian ruler in May 1998 marked the beginning of the transition to democracy in Indonesia. After being curbed and controlled by the government for decades, a question arises, who actually controls media content in the era of liberalization. This research investigates how political economic factors in post-authoritarian era affect television workers and the content they produce, and two key questions raised: (1) How do political economic factors influence television workers in shaping their content?; (2) What is the most influential factor that affect television workers in shaping their content? This study uses both qualitative and quantitative methods. Quantitative method used is the survey whereas the main qualitative method used is interview combined with observation and documents by taking the views from within the media for the sake of triangulation to assure the validity of research. This research reveals important findings as the following: (1) Owners control, directly or indirectly, television workers in shaping content. The indirect control was made through senior executives. Owners sometimes involved directly in shaping content, especially entertainment program; (2) Advertiser also played significant role. It is common for television stations to get advertisers to help producing content. Stations may design sponsorship programs and directly solicit advertisers to provide funding for the content to produce; (3) Audience influence on television content is best presented on the use of rating reports in developing content. Most advertisers and television broadcasters depend on this audience feedback. A low rating program brings the consequences of repairing or changing content; (4) Broadcast regulator is also influential, and for certain televisions, it was perhaps the most

important influence. Broadcasters frequently changed their content after warning letters they received from the regulator due to improper content; (5) Politicians played important role in shaping content. Their influence intensified during political campaigns. In the latest development, Indonesian political life faced new development as media moguls jumped into the political arena and vied with each other for political power. The result is the fiercest and most confrontational campaign Indonesian people ever remembered due partly to the role of televisions. Finally, this research found that, on a daily basis, the audience is the most influential factor on content affecting some 31 percent television workers followed by advertiser (19%), media owners (18.5 %) and regulators (18 %). Politicians showed the least influence affecting only 13.2 %. However, the influence of politicians increased significantly ahead of elections.

# CHAPTER I

## INTRODUCTION

### 1.1 Background

The rise of freedom and the process of transition to democracy in Indonesia were marked by the collapse of Indonesian last authoritarian government led by President Suharto in May 1998. After the shift of political power, various reforms in almost all aspects of life developed, particularly the media and press that relished the freedom the most.

The euphoria is understandable because Indonesian media for decades it had lived under consistent pressure to go along to the ruler's political call. For decades, the autocratic government monitored firmly the media, and the ruin of President Suharto allows the media to appreciate the new circumstance of being free from the government strict control. Currently, Indonesia, the world's fourth-largest population, becomes the new emerging democratic country.

At the time of authoritarian era, the media that dared to ignore or underestimate government controls, they would face fatal consequences. Media permits were frequently revoked, subject to bans, and even closed down without gaining access to open trial. The restriction imposed on media prevailed until Suharto came down from power. The downfall of the last authoritarian ruler grants Indonesian media to flourish aggressively.

Under heavy pressures from the civil society and the market, the post-Suharto governments took a series of liberalization policies. In the television business, five new private national channels entered the business sector. The entrance took place even prior to the House of Representatives enacted the new Broadcasting Bills in



November 2002. The new stations should compete with another five stations established during the era of Suharto and once controlled by Suharto's family and cronies.<sup>1</sup> After the downfall of Suharto in 1998, and since media permits are no longer required to establish new media outlets, the number of new media rose significantly.<sup>2</sup> Notwithstanding the ten private television channels, every one of them situated in the capital city, a large amount of regional stations have also entered the market.<sup>3</sup>

With the current liberalization, almost any kind of contents can be produced by Indonesian media, and such media freedom managed to increase people's consciousness about economic and political situation of the country. Nonetheless, a question stands out whether the current media liberalizations could produce responsible and good media practice. The media that have capability to add to the democracy quality. Freedom and independent of media are great just in the event that they support other objectives, including the cultural understanding, democracy advancement, prosperity, human development, and so on (Rozumilowicz, 2002, p.13).

In a newly democratic country, like Indonesia, a question may arise, how media freedom could support the acceleration of democratic transition toward a consolidated democracy. According to Linz and Stepan (1996, p.3) a country might launch its democratization process, and begins the transitions toward democracy, but they might never be completed even though a new authoritarian regime no longer

---

<sup>1</sup> The five new private television are: Lativi (now TVOne), Metro TV, Global TV, Trans TV, TV 7 (now Trans 7)

<sup>2</sup> There was official number but rough estimated indicated that the number of radio stations rose to more than 1000 from 700, and newspapers rose drastically to approximately 1.000 from around 300 during Suharto's era. The data obtained from various sources including Johannan, Uwe & Gomez, J.(2001); Johannan & Gomez (2001, p.125); Hidayat, Deddy N (2002) and; Gazali, E (2003); Hidayat (2002) in Gazali (2003, p.2);

<sup>3</sup> Unofficial data indicated that in 2010 there are at least 150 local commercial television stations throughout the country (Digibox Broadcast Solution, 2011).

holds power. In the development of rebuilding the media, the general assumption is that media should be away from dependency and control. Media reform should advance toward an ideal of independence and freedom. The structure of media that is autonomous without interference from government, owner, business, or dominant social groups (Linz and Stepan, 1996).

When democratization removes state censorship, and the media enjoy freedom of expression, we have to deal with the following questions: Who ultimately controls the content in the media? Who actually shapes the news and entertainment content that we see or hear? For some, these are moot questions in media and communication studies.

In the media literature, issues on factors affecting media content are actually a part of the political economy of media. Political economy as a study started in the eighteenth century, somewhat to clarify, legitimize, and bolster the speeding up of capitalism (Mosco, 1996, p.11). According to Mosco (1996, p. 25), one likewise can consider political economy as the study of the social relations, especially the relations of power that commonly constitute the generation, circulation, and utilization of assets or resources. From this vantage point, the result of communication, such as media content and audiences, are the primary resources.

Mosco (1996, p.138) develops a substantive map of political economy with three entry processes: commodification, spatialization, and structuration. Commodification is the procedure of changing use value to trade or exchange value; Spatialization is the change of space with time, or the procedure of institutional expansion; while structuration portrays the procedure whereby structures are commonly established with human agency (Mosco, 1996).

Some media theorists, including Golding and Murdock (2000), McQuail (2000), Shoemaker and Reese (1991) and Gerbner (1969) depicted communicators in mass media as working under pressure from internal and external variables such as: proprietors, customers or clients (for example, sponsors), other media (competitors), regulators, viewers, legislators, and other institutions.

This research will look at how television contents were influenced by political reform followed by broadcasting liberalization in post-authoritarian era. In other word, the research will investigate how the political economy of media in the era of democracy may affect media content. The research topic on the political economy was chosen because of major changes in the structure of television industry recently, especially by the process of democratization in Indonesia.

The following parts of this chapter explain in brief the theoretical concept about the media's role in democratic society proceeded with the discussions about the history, structure, organizations, individuals, government regulations and practices, which dominate the media industry in Indonesia before and after the political reform in 1998. The discussions concentrate primarily on the rapid changes during the past decade, locating these developments within the context of reform after the descendent of former president Suharto and his self-proclaimed New Order Government.

## **1.2 Indonesian Media in Authoritarian Era**

For decades, Indonesian media were closely monitored and lived under consistent pressure to comply to the ruler's political demand, and by an interventionist government. The media must confront deadly results in the event that they set out to belittle or disregard controls from government. Without any recourse

to open trial, Indonesian media are frequently subject to bans. The restriction on media prevailed until the last authoritarian leader stepped down from power in 1998.

This part introduces the Indonesian liberal mass media today by firstly explaining what had happened to the media during the authoritarian era, before the liberalization took place in 1998. It seeks to explain key incidents, which illustrate the government's firm hand in controlling and penalizing the media during the authoritarian era. It is important to comprehend the development of the media during this period, in order to understand fully Indonesian liberal media currently.

This part also illustrates a brief development of the media since the independence of Indonesia, and during the period of authoritarian government under the leadership of the first president Sukarno (called Old Order era), and the second president Suharto (New Order Era). The following discussion notes, particularly the periods of New and Old Order Era of government's anti-press actions, and more recent economic liberalization and expansion during the current period of democratization. This chapter will especially focus on the recent expansion in circulations and markets, together with changing patterns of ownership and financial control, particularly the emergence of media empires.

### **1.2.1 Media in Old Order Era**

In the early years of Indonesia's independence in 1945 throughout the 1950s the number of newspapers sprung up 'like mushrooms in the rainy season', as political parties sought media promotion for their views. According to Hill (2007), the 1950s and early sixties were characterized by a vibrant, often caustically partisan press, organized along party lines, technologically and financially impoverished but richly committed to stimulating public debate and mobilizing public opinion.

In 1957, throughout the period of martial law, Sukarno was determined to rein in renegade media for a range of ‘political’ reasons such as considered lending editorial support for regional movements against the central government, or offending the president or senior political or military figures. Sukarno closed down newspapers, and he was adamant that, whatever the international odium associated with the press suppression, he would ‘not allow destructive criticism of my leadership’ (Hill 2007, p.30).

As part of an effort by government to mobilize the mass media in forging a strong and unified nation, the government established the state controlled television station TVRI in 1962, it was the first and the only television in Indonesia for 26 years since its inception.

In February and March 1965, some 29 papers were closed for their support of an anti-Communist or anti-Sukarno bloc. In the repercussion that followed the political chaos of 1 October 1965, some 46 of Indonesia’s 163 remaining newspapers were banned indefinitely because of their presumed association with, or sympathy for, the Indonesian Communist Party (PKI) and its allies (Atmakusumah, 1980).

### **1.2.2 Media in New Order Era**

With the transition of government after the putsch of 1 October 1965 and the transfer of power to Major-General Suharto on 11 March 1966, the New Order Government called the media to safeguard national security against internal and external threats. The government implemented laws that significantly restricted the freedom of the press. It was not possible to produce a regular publication legally without permits from government and the withdrawal of the permits effectively banned the periodical (Hill, 2007).

In promoting this adherence to a common Pancasila ideology, the Suharto Government sought to eliminate critical papers and ensure that press workers and management were ultimately to the government (Dhakidae 1991, p. 551). In 1974, twelve publications have their printing and publishing permits withdrawn. In 1978, seven Jakarta dailies were banned after their assertive reports on anti-government student protests (Hill, 2007).

From this low point in the early 1970s, over the next two decades the media industry in Indonesia had been transformed dramatically. Publications look smarter and more attractive, as full advantage has been taken of improving technologies. The entry of heavyweight investors into the industry during the late 1980s changed the patterns of press ownership and broadened the range of publication produced. The Indonesian press industry was riding the crest of a wave of media expansion.

In the electronic media, 26 years after the establishment of the first state-controlled television station TVRI, the first commercial and private-owned television station, RCTI (Rajawali Citra Televisi Indonesia) began test broadcasting in 1988 in Jakarta. Two years later another commercial channel SCTV (Surya Citra Televisi) followed suit in Surabaya. In 1991 the nominally 'educational' television channel TPI (Televisi Pendidikan Indonesia) commenced broadcasting nation-wide, eight hours daily. In both the print and electronic media the new decade promised a continued growth, flux and change.

This new investments improved significantly the salaries and general working conditions of journalists as 'headhunting' entered the industry, perceptibly altering the ethos of the profession, and the stakes required to play in the industry's big league. Both sales figures and the capital required to establish and run a sustainable publication rose rapidly. For the first time in Indonesia history, media

companies graduated from cottage industry to the ranks of big business (Hill 2007, p.15). However, the burgeoning trend of the media companies in the 1980s did not loosen government's grip on the industry.

In 1980s and in the early 1990s numerous individual publications have also been killed. The government also created political barriers to entry in the media industry during the authoritarian era. The policy was aimed at producing domination by the government with the power to grant and to revoke media licenses. Through its power, the regime was able to limit market players to politically favorable parties. This was especially visible in the television industry, when the government granted licenses to the first private commercial television RCTI in 1988.

RCTI was controlled by Bimantara Group, a predominantly general product holding company, owned by Suharto's son. Another four private commercial televisions, which follow suit in the nineties: Indosiar, SCTV, and TPI (now MNC) had been under the control of giant enterprises owned by Suharto's circle. David T. Hill (2007) wrote something about this:

While several such entrepreneurs had invested heavily in the press during the boom years of the 1980s, on the surface the industry did not then seem to have attracted interest from members of the Suharto family. This contrasted starkly with the television industry in which the three pioneering private channels, initially in Jakarta, Bandung, and Surabaya (but now carried nationally on Palapa satellite) were effectively monopolized by companies associated with President Suharto's family (Hill, 2007, p. 99).

Suharto's son Bambang Trihatmojo owned RCTI, issued with the first commercial television license in 1987. His foster brother Sudwikatmono gained the second commercial license in 1990, heading Surya Citra Televisi, SCTV. In August 1990, TPI (Televisi Pendidikan Indonesia, or Indonesia Educational Television), controlled by President Suharto's daughter H. Hardiyanti Indra Rukmana (known

affectionately as 'mbak Tutut) through her holding company Cipta Lamtoro Gung Persada, gained the third licence.

The entry of new stations represents both horizontal (or cross-media) and vertical integrations. Vertical integration alludes to the pattern of business ownership in which an organization sets up or purchases different business company, which relate to the core business – say, publishing. Specifically, extensive media organizations tend to attempt to oversee production, distribution and retailing (Golding & Murdock, 2000). This is similar to a pattern by which business conglomerations, from other spheres of operations penetrated broadcasting sector as part of their business expansion (Golding & Murdock, 2000, p.10).

### **1.3 Political Changes and Media Liberalization**

The 21 of May 1998 was a day of great importance in the Indonesian history. The day when President Suharto was forced to surrender his power after more than 30 years in power. From that day, the country started its path to democracy, which also paves the way for freedom of the press, and one-step in this process was the development of a new press law.

Observers perceived that the press actually played an important role in the process of Suharto's forced resignation. It started with the ban of three publications: Tempo, DeTik and Editor in 1994. The ban triggered dissatisfaction among many journalists who then took to the street to stage protests. Another significant protest took place in 1996 when an opposition leader Megawati Sukarnoputri, the daughter of Indonesian first president Sukarno, was forced to leave her political party Indonesia Democratic Party (PDI). The move was mentioned to be masterminded by



the authority. Public discontent toward government reached its culmination in 1998 when newspapers reported about the riots breaking out all over the country.

President Suharto himself announced his resignation at the presidential palace broadcast live across the country by some private television stations erected by his own children. It was a very dramatic moment especially when Suharto said “I declared my resignation as President”, responded by cheerfulness and ecstatic joy by tens of millions television audience, especially the gathering demonstrating students who had waged protests for days just to wait that very precious moment.

Suharto was then superseded by his protégé, Vice-president, B.J Habibie. He was the one who lead the country until an election could take place the following year. Immediately Habibie started to decide about new political reforms. One of the most important reforms were the new electoral law which made Indonesia, for the first time since 1955, go to a fair and democratic election in June 1999. He announced that Indonesian citizens were free to form new political parties and opened up for a press freedom that was not possible before. (Johannesson, 1999; Liddle, 1999).

Habibie appointed General Muhammad Yosfiah as Minister of Information, and one of Yosifiah’s first moves was to abolish the right for the Department of Information to revoke press permits. He also allowed the establishment of other journalists’ associations than the state sanctioned PWI and he streamlined the process of granting government approval to new media organizations (Tesero, 2000).

Yosfiah and a lot of media people also recognized that the press law needed to be changed to reflect the new reality in Indonesia. The ministry therefore began to draft a new press law. He also invites people from the media community to help him draft a new press act. And finally on September 22 1999, Indonesia’s new Press Law

number 40 was signed by president B.J Habibie replacing Soeharto's repressive 1982 Press Law (Harsono, 2012). The move, maybe one of the last reasonable acts in Habibie's brief 17-month administration. Its motivation was to give a lawful system to a free press after so many years under autocratic rule when the country's press was definitely not free.

The 1999 Press Law compellingly uprooted the instrument of government control. The 21-article law rejects the power of government to issue permit, censor, regulate, or ban the press. Further, the law commanded the foundation of totally new, autonomous Press Council to maintain freedom of the press and improve the national press. With the Press Law, for the first time in the history of the Indonesian press, the regulation of the press transfers from the government to the media industry itself (Harsono, 2012). Article 15 stipulates that a Press Council is established to develop the freedom of the press.

The Press Council will have a lot of functions, such as to protect the freedom of the press from any intervention; conduct studies to develop the existence of the press and decide and control the compliance of the Code of Ethics for Journalists. It is also said that members of the Press Council are journalists, people from press companies and representatives from the society who are experts in the field of the press and/or communication (Harsono, 2012).

The government's decisions to abandon the system of licenses made it possible for the print media to grow in a matter of a few months from 289 to more than 1000 (Heryanto & Adi, 2001). Soon it was inflation of both journalist organizations and publications. In early 2000, there were about 40 press organizations (Leijel, 2002). It was like the euphoria of freedom celebrated by the society. Not only in the press industry, but also among the political parties, there was

an “explosion” with the formation of 108 new parties, compared to three during Suharto’s era (Batubara, 2001).

Two obstacles are particularly serious about the development of a free and democratic press in Indonesia. They are the problems with the increased violence against journalists and the absence of institutions working in the society, such as the police and the judiciary. The media have progressed speedier than other democratic institutions, for example, the legal bodies, and are currently forcing these bodies and society as a whole, to keep stride (Leijel, 2002).

The defamation and the legal environment are one of the main negative components for the nation's press. Cases brought against the media that charge untruthful or unfair reporting keep on being filed and indicted in numerous courts as criminal offenses. A portion of the criticism cases are politically inspired filed by political or business leaders, and with more politicians and businesses owning their own private media, the connection between media outlets and political force in some cases produce an extremely bias content (Kaufman, 2010).

#### **1.4 Broadcast Liberalization**

So far, the discussion about press development in Indonesian is dominated by the print media (newspapers, magazines) and rarely describes the electronic media (radio, television). It has been recognized that the media closure cases, mostly befall upon the non-electronic media. The reason for this is because print media, especially newspapers, had always been freer than the TV and the radio, and under the Suharto era, the TV and the radio were more or less state owned or owned by Suharto’s relatives. (Sen & Hill, 2000).

According to a London-based human rights and media freedom watch organization called itself 'Article 19', Indonesian Broadcasting Law, together with 1999 Press Law, is a symbol of civil society's triumph in advancing free, autonomous and independent media and propelling the public interest. The draft Bill supplanted the 1997 Broadcasting Act, which formally became effective on September 1999 but it never been implemented in practice (Article 19, 2002).

President Abdurrahman Wahid, who replaced Habibie tried to draft the new Press Law and Broadcast Law. After being drafted during President Wahid, the new broadcast law was signed by President Megawati, Wahid's predecessor, in 2002. One year later, the Indonesian Broadcasting Commission (KPI), an independent state regulatory body, was established.

The draft was initially rejected and protested by The Private TV Association (ATVSI) immediately. The law intends to cut the long-held privilege of the Jakarta-based national television companies to broadcast directly across the country, undermining the right of local people to establish their own private television stations. Under the new Law, the national television companies can reach their audience in the regions only by affiliating with local stations. It is obviously disadvantaging them. Before the existence of the new Broadcast Law, national TV stations pocket all the advertiser money. Now, they have to negotiate and cooperate with local TVs about the share of the advertisement revenues.

The TV companies even mobilized their workers, talents and artists to demonstrate to the parliament building when the bill was deliberated. The stations also campaigned through their TV screens telling people that "the freedom of the press is dead" because the new law may kill the public freedom to get information

and entertainment. In fact, the new law gives opportunities to every region (town and regency) to have their local private television stations.

Currently, almost every town and regency in Indonesia has their own local private television stations. However, the domination of private national television stations still continues. Until 2012, ten years after the enactment of broadcast law, the national television companies still can reach their audience in the regions without necessarily affiliating with local stations, undermining the right of local TV stations toward their own broadcast zone.

According to human rights organization Article 19, the law represents a very significant improvement over the 1997 Broadcasting Act, and it contains a number of positive features. It recognizes the important role of the three categories of broadcast station – public, commercial, community, and subscription broadcasting services. In general, the law tries to ensure the free stream of information and thoughts to the public in Indonesia (Article 19, 2002).

The organization stated that the law also commands the establishment of independent broadcast regulator, the KPI, with responsibility for regulating and providing recommendations in the area of broadcasting. KPI consists of national (KPI) and regional bodies (KPID), with important authority over broadcasting (Articles 6 and 7). Members of KPI and KPID were nominated by the People's Representative Council (DPR) and the Regional People's Representative Council (DPRD) after public input and based on a fit and proper test (Pursuant to Article 10)

KPI's members are formally appointed by the President and KPID's members are appointed by the Provincial Governors. A number of formal conditions must be met by the member candidates, including not being linked to any political parties and not having interests in any mass media. Upon the suggestion of the DPR, members

may be replaced by a Presidential Decree (with a comparable process for regional members). Considerable protection against political or business impedance in the work of the KPI was granted through these provisions, Article 19 said.

In the meantime, the law has various concerns. Regardless of the way that it builds up the KPI as an autonomous body, the law also grants important powers to the government with regard to broadcasting permit (contrary to clear international standards). The arrangement in the law for huge government controls over television, frequently mutually with the KPI, pose a far more serious problem.

Pursuant to Article 33, even though upon proposal and after concurrence with the KPI, albeit upon endorsement and after approval with the KPI, it is the government ministry, not the KPI that allocate licenses to broadcasting media. Consistent with international law in this area, a ministry frequently under the control of a senior politician, ought to have no role at all in issuing broadcast permits. Although attempts have been made to restrict the role of the government on issuing licenses but the provision still persist (Article 19).

A number of articles in the broadcast law stipulate many other regulatory matters to be created together by the KPI and the legislature. Examples include the procedure for obtaining a broadcasting permit; provisions concerning the networking of broadcast stations and the activities of foreign broadcasters as well as regulations on the procedures for imposing administrative sanctions, Article 19 said.

Not all the regulatory power noted above are necessarily prone to this type of abuse of power. For instance, it is commonplace for governments to set guidelines on media proprietorship. The problem with allocating powers to governments is that it may misuse these powers to cutoff critical or independent media in spreading stories about government's works. Many of these powers, especially the ones relating to

permitting procedures and sanctions, may be manhandled for political reasons and ought to, thus, be allotted just to a free body, for example, the KPI, and not to government. In fact, to some degree these powers undermine the endeavors made in Article 32 to confine the role of the State in issuing television and radio licenses (Article 19, 2002).

### **1.5 Problem Statements**

The research grapples with a persistent question, which become a problem statement of this research: although broadcast regulator, the Indonesian Broadcasting Commission (KPI), plays a role in controlling content in the era of liberalization, has the KPI become the sole controller of television content? When the authoritarian government had collapsed, and the old style of restriction on television content is no longer exist, who ultimately controls television content right now?; Does the KPI function well? How political economic factors influence television workers in shaping content?; Which political economic factors that influence television workers and their content the most? All these issues have been problematic because nobody knows exactly the answers of these questions in the context of post-authoritarian Indonesia. No comprehensive study has been made about this particular topic so far.

Some subsequent problematic statements may also worth to ponder. For example, how will Indonesian broadcast media, especially television, operate in a post-authoritarian context while the rules and practices of democracy are being constructed? Since one group's majority rule may well imply the silencing of another, so it is important to ask: how will journalists and other media practitioners relate to popular but not necessarily unified aspirations for democracy? In addition,

what in the end is the value of an open media to the establishment of democratic governance in Indonesia?

The idea for this research stemmed from the collapse of authoritarian government under President Suharto's leadership in 1998 after controlling power in Indonesia for 32 years, and for more than three decades all media content was controlled by the government. When the authoritarian government had collapsed, who ultimately controls television content right now?

No research has ever been done before, surveying and interviewing television workers, to ask who was the party that had the most influence on their work in designing television content. This is the first study in Indonesia to conduct a survey of 100 television workers. No television worker has ever been surveyed before to find out political and economic factors that influence television content. This is because television in Indonesia had been a closed and prohibited media for outsiders to enter.

This research is conducted 16 years after the collapse of President Suharto's 32-year authoritarian rule in 1998, ending the era of government-controlled media content and the beginning of media liberalization. This research took a period from 1998 to 2014 because Indonesians saw the governments changed six times during the course, with four general elections took place in 1999, 2004, 2009 and 2014. The dynamics of these political and economic changes during the period should influence media content.

The research topic on the political economy of Indonesian television media was chosen because new life has been given to the industry by major changes in the structure of the industry, especially by the process of democratization, globalization, ownership conglomeration, and organizational fragmentation. Especially after the



issuance of 1999 Press Law, for the first time in the history of the Indonesian press, the regulation of the press transfers from the government to the media industry itself.

Pertaining to a question, who actually shapes media content in Indonesia today? In the final analysis, without day-to-day state control over what appears in the media, media workers literally ‘make’ the content and interpret them for the audience. However, the practice of producing media content is itself always determined by a number of influential factors that surround the media.

The central question in the study of the political economy of communication is how the public sphere be restrained or liberated by the changes in the structure of television media, the forces that exercise control over cultural production and distribution. This directs attention to the ownership pattern of such institutions and the consequences of this pattern toward control over their media content, and the nature of the relationship between the media and state regulation (Golding & Murdock, 2000).

This study is important to identify general patterns and/or relationships of political economic factors being studied and to make predictions about the influence of those factors on media content particularly in the Indonesian context.

## **1.6 Research Objectives**

This research seeks to determine which political economic factors influence television workers and their content the most and to explain how political economic factors influence television workers in shaping the content.

Since television content among stations vary in term of the genre, and since some stations focus on a certain type of program more than others due to business reasons so it is unlikely this research focuses on specific programs. The period of

this research was from 1998 until 2014, and there were 11 national TV channels in Indonesia up to 2014, some 10 stations are commercial with only one public station. This research focuses on the ten Jakarta-based commercial free-to-air national television stations (RCTI, SCTV, INDOSIAR, GLOBAL TV, MNC TV, TRANS TV, TRANS 7, METRO TV, TV ONE, ANTV) which content compositions are not exactly similar. The reason to study these 10 stations is that they were not owned by the government.

Based on the above illustration, some formulation with regard to the objectives of this research can be drawn as the following:

- 1) To find out which political economic factors influence television workers and their content the most.
- 2) To discuss how political economic factors influence television workers in shaping the content.

### **1.7 Key Research Questions**

- 1) What are the most influential politics and economics of the media that influence television workers in shaping the content?
- 2) How do the political economic factors influence television workers in shaping the content?

### **1.8 The Scope of the Study**

This study measured the influence of some five politics and economics variables on television workers in shaping their program content: television owners, advertisers, audience, regulator and politicians. Some 100 respondents selected purposively with a criteria that they must be in charge of television content

production, either in pre-production, production, and post-production of television programs, or any other positions in television stations related to content. This research surveyed and interviewed media workers selected purposively from top level to lower level employees who have been working, or who had worked, at 10 largest television stations in Indonesia: Metro TV, TV One, Indosiar, RCTI, SCTV, ANTV, MNC TV, Global TV, Trans TV, and TV7.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 The Development of Politics and Media in Indonesia**

For more than 50 years, two leaders, Sukarno and Suharto, who ran their governments in an authoritarian manner, ruled Indonesia. Sukarno, who led the struggle for independence of Indonesia from the Netherlands, was the country's first President from 1945 to 1967. During his rule, and with the backing of the military, Sukarno disbanded political parties, arrested and imprisoned political opponents, used martial law to closed-down mass media criticism of the government's policies, and other repressive actions.

Suharto rose to power after the assassination of six senior generals in October 1965 in a coup attempt launched by the supporters of Indonesian Communist Party (PKI) supported by a group in Indonesian military forces. The assassination angered many people who retaliated by involving in a massacre that killed as many as half a million PKI's supporters. Suharto, at that time one of the most senior generals, assumed control of the army. He then managed to reestablish order, stability and security. The turmoil led to the collapse of president Sukarno, and Suharto was appointed for the first of his five-year terms as President. He ruled Indonesia for more than three decades (Brown, 2003; Emmerson, 1999).

##### **2.1.1 Political Transition in Indonesia**

Suharto maintained his authoritarian regimes with the backup of military. Suharto managed his New Order government by combining suppression with co-optation to curb the rise of organized political opposition. For example, by the early

1970s, the ten legal parties permitted by the previous government of President Sukarno had been cut to three in the era of Suharto. The three political parties are: the government's electoral vehicle and the military-created, Golongan Karya (Golkar), the Indonesian Democracy Party (PDI), and the Muslim-based United Development Party (PPP). Unless for Golkar, the chance for the two political parties to assemble popular support was severely limited. They were fully controlled by the operations of military intelligence, while the government's support of their leaderships depended on their incorporation into Suharto's nepotism. The government maintained its outright repression policy. Opponents of all types were imprisoned, or faced intimidation, and other restrictions (Brown, 2003; Emmerson, 1999).

According to Indonesian constitution, People's Consultative Assembly (MPR) elects separately president and vice president for five-year terms. MPR consists of the members from the House of Representative (DPR) and representatives of the regions and social groups appointed by Suharto. In other words, Indonesia's president was elected by and responsible to the MPR. Despite electing presidents, MPR also had authority to alter the constitution, decide the State Policy Broad Outline and issue quasi constitutional of MPR decrees (Brown, 2003; Emmerson, 1999).

Under Suharto's regime, military officers dominated both the central and regional administration. Legislative elections were held at five-yearly intervals. Golkar managed to gain constant victories throughout the New Order period. It always won, on average, more than 60 per cent of the votes. Following the election, the MPR convened and regularly reelected Suharto as president by common consent.

### **2.1.1(a) The Fall of President Suharto**

In mid-1997, backed by the booming in the economy, Suharto's political power seemed imperturbable. According to Crouch (2010, p.18), Suharto was in full control and appeared destined eventually to die in office. In July 1997, the Financial Crisis in several Asian countries, sparked by the Thai Baht crash, devastated Indonesian economy and other Asian countries. MPR members met in March 1998 and despite the economic catastrophe, unanimously re-chose Suharto for his seventh presidential term, and endorsed his chosen one for the vice president, B.J. Habibie (Crouch, 2010).

The inability of the government to halt the economic plunge sparked popular resentment especially toward Chinese community. Many Indonesians saw a Chinese businessman grew bigger, and some of them became conglomerates, because their businesses were supported by Suharto. The anti-Chinese food riots broke in many towns while students staged protests across the country called on the president to resign. The waves of demonstration, and the inability of government and security forces to cope with them, forced President Soeharto reluctantly agreed to resign and, according to the constitution, was replaced by his vice president, B.J. Habibie (Crouch, 2010).

### **2.1.1(b) The Democratic Governments Era**

Within days of succeeding to the presidency, President B.J Habibie was proposing the release of political detainees, anti-subversion law reform, the removing of restrictions on the press, the formation of new political parties and the holding of a new general election. Habibie decided to hold an early general election based on new electoral legislation and lifted existing restrictions on the formation of new political

parties. MPR that convened at a Special Session on November 1998 brought forward the next general election from 2002 to June 1999 under a new electoral law. The holding of an election was crucial to Habibie's attempts to win legitimacy and curb opposition in the parliament.

The new electoral laws were formulated in crisis-ridden circumstances amid huge demonstrations that occurred regularly in Jakarta throughout the year demanding the implementation of a quick political reform agenda. On the last day of November 1998, the MPR's special session was held in order to allow the June 1999 election. Outside the MPR building, security forces had fired on demonstrators, killing seven students and wounding many more. The outcome of the session was a set of new electoral laws that permitted an election far more democratic than the New Order Era. The new laws allowed any party that could meet criteria to compete in the upcoming election, in stark contrast to the New Order laws, which permitted only three parties to contest elections. No less important was the free environment in which the election was held. The Habibie government had lifted the tight New Order restrictions on the press and other media while the military had severed its formal link with Golkar and refrained from openly backing any party.

Despite widespread fears, the first genuinely free election since 1955 was held on 7 June 1999. Many Indonesians felt elated at the election and freedom they are having after decades living under authoritarian rule. Some 48 political parties, including three parties established in the New Order era contested the largely violence-free election. The results showed that no single party achieved an absolute majority (Crouch, 2010). The leading party was the Indonesian Democratic Party of Struggle (PDI-P), led by Megawati Sukarnoputri, with one third of the votes (33.8 per cent). Golkar suffered huge losses, and ran second with 22.5 per cent (74.5 per